

## Retirement and Employee Benefits

The Retirement and Employee Benefits appropriation covers the City's share of employee benefits costs including VRS retirement, life insurance, FICA (social security), workmen's compensation, separation pay, unemployment fees and health insurance. Costs involved in compensating employees, such as merit pay, specialized incentive pay and pay increases for constitutional officers are budgeted here as well.

The total budget for this department is \$23,633,753.

	<b><u>FY 03</u></b> <b><u>Budget</u></b>	<b><u>FY 04</u></b> <b><u>Budget</u></b>	<b><u>Increase/</u></b> <b><u>(Decrease)</u></b>
<b>Salary increase and benefits for employees</b>			
Accrued Payroll	0	230,000	230,000
Separation Leave Pay	824,000	1,000,000	176,000
Compensation	1,288,529	3,777,746	2,489,217
Workmen's Compensation	1,266,001	1,186,007	(79,994)
Hospitalization Insurance	5,100,000	5,750,000	650,000
Life Insurance	0	0	0
Unemployment Insurance	100,000	100,000	0
FICA Contribution	4,509,722	4,560,000	50,278
Virginia Supplemental Retirement (VRS)	6,588,612	7,000,000	411,388
Other Fringe Benefits	30,000	30,000	0
<b>Total Retirement and Employee Benefits</b>	<b>19,706,864</b>	<b>23,633,753</b>	<b>3,926,889</b>

### **Highlights of Compensation Package:**

- \* Provides for Performance Management Transition increase to include:
  - a longevity salary adjustment of \$200 for every 3 years of service (will be added to base pay before salary adjustment)
  - suspension of merit pay for one-year and give all employees (including part-time and WAEs) a 3.5% salary adjustment on July 1;
- \* Provides funding for 50% of total health insurance increase; and
- \* Provides for implementation of sick-leave accumulation bonus.